THE HON'BLE Ms. JUSTICE G.ROHINI

WRIT PETITION NO: 16851 of 2006

Dated: 20-09-2006

Between:

Bobba Yagna Narayana Rao

..... PETITIONER

AND

A.P. State Road Transport Corporation,
Rep., by its Depot Manager,
Eleswaram.
E.G. District.

.....RESPONDENT

THE HON'BLE Ms. JUSTICE G.ROHINI

WRIT PETITION NO: 16851 of 2006

O R D E R:

This writ petition is filed seeking a declaration that the proceedings of the respondent-A.P. State Road Transport Corporation (for short 'Corporation') dated 20-07-2006 directing the petitioner to furnish bank guarantee for a sum of Rs.1,27,336.57ps are arbitrary and illegal.

It is not in dispute that the petitioner, who is the owner of the bus bearing No.AP 5 Y-6073, had hired the same to the Corporation under an agreement dated 30-08-2004. It is pleaded that the petitioner had purchased the said vehicle from one K.V. Rao on 15-07-2004.

The said K.V. Rao was initially holding a hire agreement with the Corporation in respect of another bus bearing No.AP 5 Y-5848. Since the said bus involved in an accident on 20-11-2000, the Corporation had permitted him to replace the said vehicle with bus bearing No. AP 5 Y-6073 which was subsequently purchased by the petitioner.

While so, the legal heirs of the person who died in the accident on 20-11-2000 filed O.P.No.88 of 2001 claiming compensation and the Motor Accident Claims Tribunal passed an award holding that the claimants are entitled to a sum of Rs.1,70,480/- towards compensation.

In pursuance thereof, the respondent-Corporation issued the impugned notice dated 20-07-2006 calling upon the petitioner to deposit the said compensation amount together with interest at 9% per annum from the date of petition till the date of realisation as well as proportionate costs immediately.

The learned counsel for the petitioner contended that since the accident in question took place during the subsistence of the agreement with his vendor and since he had purchased the vehicle only on 15-07-2004 and particularly in view of a clause under the sale deed that the vendor should be held responsible for all liabilities up to
14-07-2004, the respondent-Corporation is not justified in calling upon the petitioner to pay the amount awarded by the Tribunal.

On the other hand, learned counsel appearing for the Corporation, while placing reliance upon clause 5(iv) of the hire agreement, contended that the owner alone shall be held responsible for all claims. Learned counsel also contended that as per clause 11 of the agreement, any dispute arising between the owner of the vehicle and the Corporation has to be referred to the Regional Manager of the Corporation and without resorting to the said alternative remedy, the petitioner cannot maintain this writ petition.

From the material placed before this Court, it is clear that as on the date of the accident i.e. 20-11-2000, the vendor of the petitioner was holding the hire agreement. Nothing could be pointed out by the respondents to show that as per the hire agreement dated 30-08-2004, the petitioner shall be made liable for the claim which arose prior to the commencement of the agreement.

At any rate, in view of the specific clause under the hire

agreement stipulating that the dispute if any between the parties shall be resolved by the Regional Manager of the Corporation, without going into the merits of the case, I deem it appropriate to dispose of the writ petition granting liberty to the petitioner to make an appropriate representation before the Regional Manager of the respondent-Corporation raising a dispute as to the impugned claim made by the respondent-Corporation. Till the dispute is decided by the Regional Manager of the Corporation, the respondents are directed not to take any coercive steps against the petitioner for recovery of the amount pursuant to the impugned letter dated 20-07-2006 and to settle the hire charges as per the bills submitted by the petitioner in accordance with the terms of the agreement.

The writ petition is accordingly disposed of. No costs.

G. ROHINI, J

Dated: 20-09-2006
KLP